



U.S. Department of Justice
United States Attorney
District of Kansas

NEWS RELEASE

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FOR IMMEDIATE RELEASE

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FORMER PRESIDENT OF AMERICAN BANK OF WICHITA INDICTED

WICHITA, Kan. – United States Attorney Eric Melgren announced that **Patrick J. Regan, Jr.**, 47, Wichita, Kansas, former loan officer, director, and the president of American Bank of Wichita and the president of American National Bancshares of Wichita, Inc., was charged today by a federal grand jury in Wichita, Kansas, with fourteen counts of making false entries in the books, reports and statements of American Bank; three counts of making a false statement for the purpose of influencing the actions of American Bank; four counts of willfully misapplying the money, funds and credits of American Bank; two counts of attempting to execute a scheme to defraud American Bank; and one count of conspiracy to execute a scheme to defraud American Bank.

Melgren stated that **Regan** is scheduled to make his initial appearance in U.S. District Court in Wichita, Kansas, on December 10, 2003, at 9:30 a.m.

The indictment alleges that beginning in March of 1998 and continuing until October 1998, Regan, as a loan officer, director, and the president of American Bank of Wichita, made a series of loans to Ovelle Holdings, Inc., a corporation owned by Richard J. Boushka, and allowed Boushka to pledge collateral not owned by Boushka or Ovelle Holdings, Inc., for these loans. The indictment alleges that these loans varied in amounts from \$3,000,000 on March 17, 1998, to \$10,000,000 on September 30, 1998.

The indictment further alleges that the \$3,000,000 loan was secured by the \$3,000,000 loan itself. This \$3,000,000 was originally wire transferred by Regan from American Bank into a bank account of Ovelle Holdings, Inc., in Coral Gables, Florida, on March 19, 1998. The indictment further alleges that the bank in Florida closed the account and wire transferred this \$3,000,000 back to a bank account of Ovelle Holdings, Inc., at American Bank in Wichita on April 8, 1998. The indictment further alleges that Regan presented a series of reports to the Board of Directors of American Bank through December 16, 1998, representing that the \$3,000,000 loan to Ovelle Holdings, Inc., was secured by a certificate of deposit with the account number of the bank account in Florida even though Regan knew that this account was not a certificate of deposit, and that the account did not even exist after April 8, 1998.

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The indictment further alleges that a \$10,000,000 loan was executed on September 30, 1998, again with unverified collateral, and that approximately \$9,501,280 in American Bank funds were transferred into Ovelle's bank account on September 30, 1998, and, on the same day, these funds were transferred out of Ovelle's account and applied on the books and records of American Bank to another borrower's loan transactions. The indictment alleges that this transaction created the appearance, on the books and records of American Bank, that the gross indebtedness on the loans of another borrower were reduced by approximately \$9,500,000 prior to a Federal Reserve examination of American Bank scheduled for November of 1998. The indictment further alleges that during December of 1998, at the direction of the Federal Reserve examiners, these loans totaling approximately \$19,200,000 to the other borrower were discharged as a loss.

If convicted, Regan faces a maximum of thirty years in federal prison, without parole, for making false entries, making false statements, willfully misapplying the money, funds and credits of American Bank; and attempting to execute a scheme to defraud American Bank and a maximum of five years for conspiracy. The case was investigated by the FBI.

Richard Boushka, 69, Wichita, Kansas, has previously been charged and entered a guilty plea on December 2, 2002, on bank and securities fraud charges. Boushka admitted at his plea that from March 1998 through September 1998 he executed a scheme to obtain money from American Bank by means of false pretenses. Boushka is set for sentencing on January 5, 2004, at 1:30 p.m.

A copy of the indictment may be picked up in the reception area of the U.S. Attorney's office at 1200 Epic Center, 301 N. Main, Wichita, Kansas, or by email on request.

As in any criminal case, a person is presumed innocent until and unless proven guilty. The charges filed merely contain allegations of criminal conduct.